

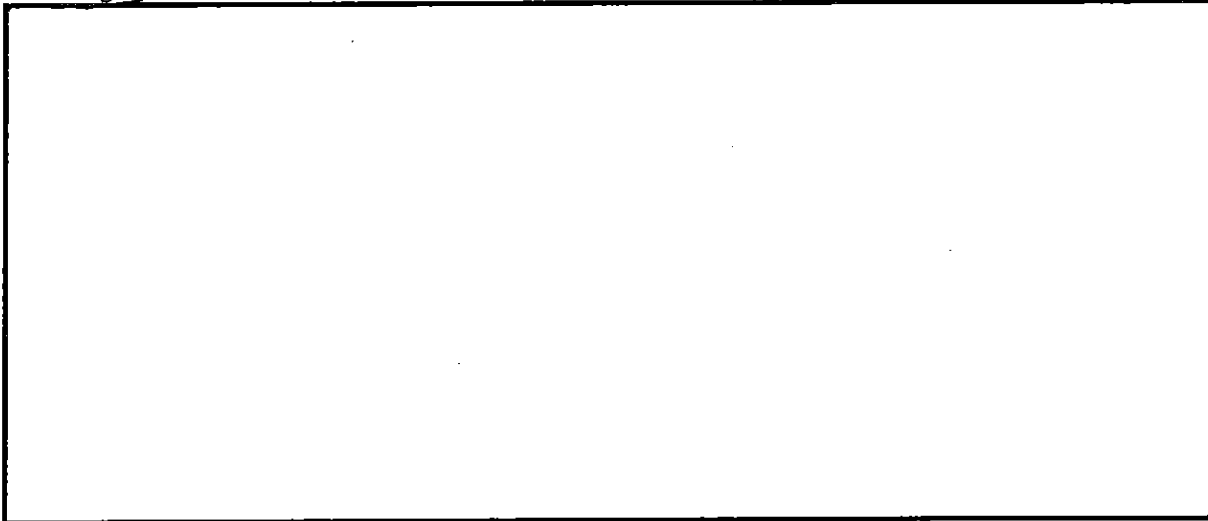
SUPPLY AND DEMAND, LESSONS FROM TOY FADS.

Name: _____

Date: _____

1. Draw a supply and demand schedule and label the necessary parts. Be sure to properly label the locations of price, quantity, supply, demand, equilibrium price, surplus and shortage. 2 pts. extra credit

5pts.



Choose the *best* answer.

2. Why does the supply line slope up and to the right?
- a. As the price rises the quantity supplied by producers will fall.
 - b. As the price falls the quantity supplied by producers will rise.
 - c. As the price rises the quantity supplied by producers will rise.
3. Why does the demand line slope down and to the right?
- a. As the price falls the quantity demanded by consumers will fall.
 - b. As the price rises the quantity demanded by consumers will fall.
 - c. As the price rises the quantity demanded by consumers will rise.
4. If the quantity supplied exceeds the quantity demanded then there is a _____ in the market.
- a. Surplus
 - b. Shortage
 - c. Supply
5. If the quantity demanded exceeds the quantity supplied then there is a _____ in the market.
- a. Supply
 - b. Shortage
 - c. Demand